(a) Whether it is a fact that the Controller General of Accounts (CGA) Office at Lok Nayak Bhawan, New Delhi is misusing Government money by spending a wasteful expenditure like purchase of a 'fish tank' for about 2 lakh rupees; and

(b) if so, what action is proposed to be taken against those officials who have misused the public money in this manner?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHIB VIKHE PATIL) : (a) No 'fish tank' has been purchased. However, a small aquarium costing Rs. 73,175 was purchased in June, 1998 for Library-cum=Committee room to serve as a partition and also improve its aesthetic look without affecting ventilation.

(b) Does not arise.

Refinance Facility to Cooperative Banks

2683. SARDAR GURCHARAN SINGH TOHRA :

SHRI SUKHDEV SINGH LIBRA :

SHRI LAJPAT RAI :

Will the Minister of FINANCE be pleased to state :

(a) the reasons for not financing comsumption loans of co-operative bank by NABARD;

(b) whether NABARD propose to provide such a refinance facility to co-operative banks to enable them to meet farmer's demand;

(c) if so, the details thereof, and

(d) if not, the reasons therefore?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) : (a) to (d) National Bank for Agriculture and Rural Development (NABARD) provides short term refinance facilities to Co-operative Banks and Regional Rural Banks basically for financing the production and marketing activities of agriculturists, weavers, rural artisans, industrial Co-operative Societies, Handloom/Handicrafts Development corporations and those engaged in the allied sector. It also provides long-term credit to banks for financing creation of income generating

assets. These short term refinance facilities are extended by NABARD from out of the funds provided by Reserve Bank of India (RBI) under its general line of credit, which are made available to banks at concessional rates of interest and banks are also expected to lend the same to their constituents for productive purposes at reasonable rates of interest. Consumption credit is generally made available by banks at commercial rates of interest and banks are excpected to make available the same out of their own resources. NABARD's refinance is supplementary in nature mainly to bridge the gap in lendable resources.

In view of the above, NABARD does not propose to extend any separate refinance facility to banks for meeting consumption credit requirements of their constituents.

Rate of Interest on Refinance to Co-operative Banks

2684. SARDAR GURCHARAN SINGH TOHRA :

SHRI SUKHDEV SINGH LIBRA :

Will the Minister of FINANCE be pleased to state :

(a) whether NABARD has raised rate of interest on its refinance to co-operative banks w.e.f. October 1999;

(b) if so, the reasons therefor;

(c) whether NABARD propose to revise this rate of interest on refinance provided to co-operative banks to make these banks more viable and sustainable; and

(d) if so, the details in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) : (a) and (b) Yes, Sir. National Bank for Agriculture and Rural Development (NABARD) has reported that it has revised its interests with effect from 1st October, 1999 by 1.5% per annum on the short-term refinance provided to State Co-operative Banks (SCBs)/District Central Co-operative Banks (DCCBs) for financing Seasonal Agricultural Operations (SAO). Funds made available to NABARD by Reserve Bank of India (RBI) under its general line of credit is the only source for NABARD for providing short term refinance to Co-operatives and Reginonal Rural Banks